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## AIRPORT DEVELOPMENT

(Central Europe)

### GERMANY

**The bankruptcy of an engineering company and new space requirements at security checkpoints for future LAGS screening equipment could delay the opening of the new Berlin Brandenburg International Airport (BBI) by up to one year.** Officially, the opening is still planned on 30 October 2011. In March 2010, one of the project's three main contractors, IGK-IGR Ingenieur-Gesellschaft Kruck mbH of Mülheim/Ruhr, collapsed and an expert has been called in by Berlin Airports to analyze the effect on the planning and construction supervision of the airport project. IGK-IGR had been responsible for technical building installations and equipment. The two other members in the planning consortium - J.S.K. International Architekten und Ingenieure GmbH and gmp Generalplanungsgesellschaft mbH - have meanwhile confirmed that they can take over the tasks of their former partner.

The recent decision by the European Union to lift all restrictions for travellers carrying liquids, aerosols and gels (LAGs) on board from 29 April 2013, if they are properly screened before departure with state-of-the-art equipment, requires design changes in the BBI departures area because the machines are bigger than currently used baggage screening equipment and hence require more space. -- Press reports on the delays have now reached the political arena and the opposition CDU faction in the Berlin state parliament has called for a special meeting of the Economic Committee where all facts on the project's status should be put on the table. #883.1

\* Right on time for the arranged transfer date, **Berlin Airports has handed over to DB Netz AG the western section of the railway tunnel, which is the final section of the underground BBI railway facilities.** "The high-speed, high-performance railway connection is one of the core elements of the new airport. In terms of functionality and passenger-friendliness, BBI is a true pioneer in airport construction," said Manfred Körtgen, Managing Director of Operations/BBI at Berlin Airports. "Together with DB Netz AG, we have taken a further decisive step towards building a compact airport where all services and facilities are conveniently and closely located."

Ralph-Peter Hänisch, Director of Production at DB Netz AG, said: "We have already started with the interior work and the installation of the technical equipment. The three platforms in the stations have been built, and 3 km of tracks have been laid. We are working at top speed along the entire 15-km stretch." -- **Passengers arriving at the underground terminal station are only a few steps away from the check-in areas:** three escalators and several lifts take people arriving at the station straight up to the check-in hall. The distance to the trains is even shorter for aircraft passengers arriving at the airport.

In addition to the S-Bahn rail service from the Ostkreuz/Südkreuz stations, the Airport Shuttle and regional train services will bring passengers from Berlin's main station and Potsdam to the new airport railway station. Berlin Airports expects up to 33 000 passengers to use the station every day once the new airport opens. The aim of the BBI planners is to have every second passenger travelling to and from BBI on public transport. #883.2

\* **Berlin Airports had just awarded its advertising account to Scholz & Friends Berlin.** The agency, headed by the two managing directors Constantin Dudzik and Matthias Spaetgens, beat off the competition and **will also be designing the campaign for the opening of the new 'Willy Brandt Airport' for the Berlin and Brandenburg region.** Dudzik, Managing Director of Strategy, commented "Berlin's new airport is a new landmark for the city and the surrounding region, and it will also be Europe's most modern airport. Anchoring this magnificent new airport in the hearts and minds of the people of Berlin, Brandenburg and all international visitors is quite simply the most exciting communication brief for 2011 in Berlin. We are thrilled that we have been entrusted with this strategic and creative challenge."

**The orchestrated introductory campaign, which is to generate and build enthusiasm for the new airport, will be launched at the beginning of 2011.** The campaign will be rolled out across all relevant media, from outdoor to print and online and will also use dialogue campaigns to give the new airport an outstanding presence. As well as the opening campaign for the new BBI airport, the agency has also been put in charge of all commercial communications for Berlin Airports effective immediately, including the communication of new services and routes and positioning the airport as one of the top players in European aviation. This is a brief that will not only focus on Berlin, but also on the city in an international context: Berlin is already Germany's third-largest airport location. The construction of the BBI gives the region around Germany's capital city its very first true international hub, as well as providing the infrastructure capacity needed to keep pace with future growth. The new airport creates the conditions required to connect Berlin even closer to the world's networks and markets and transform it into the continent's key east-west hub. #883.3

**Shareholders at Fraport AG's ninth regular Annual General Meeting (AGM) ratified the recommendation of the Executive and Supervisory Boards to pay a dividend of EUR 1.15 per share for the last completed fiscal year.** For fiscal years 2006, 2007 and 2008, Fraport also paid out EUR 1.15 per share. Fraport's Boards both received a 99.93% vote from shareholders ratifying their actions. This year's AGM was again chaired by Karlheinz Weimar, Fraport's Supervisory Board Chairman and the Hesse Minister of Finance. Dr Stefan Schulte, Fraport's Executive Board Chairman, presented the **results for fiscal year 2009** and the Group's business **outlook for 2010.** "Extraordinary times are also exciting times that offer new opportunities," said Schulte. Summarizing the company's development in 2009 as well as during the first months of 2010, Schulte stressed that the airport management group had weathered the storm well during the financial crisis – which severely impacted the air transport industry in 2009 – and took advantage of the time to implement far-reaching decisions for the future. **"Despite all of its difficulties, 2009 was a year for setting a fundamental and positive course for the company's future,"** said Schulte. He called the construction launch of Frankfurt Airport's (FRA) new Runway Northwest an essential step for the company's future development. The FRA capacity expansion programme, started in 2009, is fully on schedule, with the inauguration of the new runway planned for the beginning of the 2011/12 winter timetable period. Pouring the concrete of the first 1200-m by 45-m

section of Runway Northwest started on 7 June 2010. Simultaneously, work is progressing on the taxiway bridges that will link the new runway with the airport apron.

**In 2009, Fraport established the basis for successfully concluding negotiations with the airlines on airport charges.** Schulte described further milestones such as the basic agreement for passenger security control staff and, above all, the 'Pact for the Future' for the company's aviation ground services division. These important business areas remain a vital part of the company and allow FRA to provide attractive services in the highly competitive environment of international aviation hubs.

This is the same goal of Fraport's **new 'Great to Have You Here' service initiative**, which strives to create further improvements in service offerings by enhancing comfort and enjoyment in the terminals. The heightened expectations of international passengers for a comfortable airport ambience will be met by **expanding the retail offerings at FRA**. Now taking shape, the new Pier A-Plus with a huge marketplace will offer 9000 m<sup>2</sup> of outstanding shopping experience for the 25 million passengers per year that will be using Pier A and the new Pier A+. **Fraport is linking its growth with the goal of sustainable development.** In particular, Fraport started preparations for a measurable reduction in noise emissions in 2009 – in order to present, along with partners, an effective package of measures for active noise abatement.

Schulte emphasized that the 4.7% fall in passenger traffic at FRA in 2009, as well as the 10.6% reduction in cargo tonnage, are now history. Meanwhile, traffic has recovered and, in the case of cargo, has been clearly over-compensated for. Nevertheless, in fiscal 2009 the traffic slump led to revenue dropping by 6.1% to about EUR 2 billion. Decisive factors here also included Fraport's divestiture of its holdings in ICTS Europe and Frankfurt-Hahn Airport (#863.OPS23). EBITDA slipped by about 8% to EUR 553 million. Through adjustments in staff costs, as well as savings in non-staff costs and tax on investments, it was possible to counteract the effects of the crisis. Thus, the company was able to realize savings of EUR 28 million. Group profit fell by some 20% to EUR 157.3 million – primarily because of higher capital costs for realizing FRA's expansion programme.

**The optimism at the end of 2009 – which could be particularly felt because of the noticeable economic recovery in the Far East and the resulting rise in traffic volumes – has been confirmed by traffic during the first months of 2010**, although this period was also characterized by extraordinary events. A longer and harder winter, a pilot strike, and finally clouds of ash from Iceland's Eyjafjalla volcano in April did not prevent the exceptionally positive 30% surge in cargo tonnage at FRA since the beginning of the year. Despite traffic drops, Frankfurt Airport still managed to record a 3.9% gain in passenger figures during the first quarter of 2010. The multi-day standstill in European air traffic in April pushed FRA's passenger figures into the 1.9 minus range for the first four months of the year. Schulte further explained that the satisfying development of the company's external business was also driving Fraport's future. **Currently, Fraport is active at 13 airports worldwide, either as a full airport operator or by providing management staff under concession contracts.** These airports served a total of 174 million passengers in 2009. Fraport's latest project is Pulkovo Airport in St. Petersburg, Russia (#881.OPS26). The wide range of Fraport's airport projects helped cushion the impact of the air traffic slump during the global financial crisis and the geographically-limited special developments caused by strikes, weather and ash clouds. **For the current year, Schulte expects revenue to rise thanks to the recovery in air traffic and the positive development of the Group's airports** – which should result in about a EUR 80 million improvement in EBITDA to EUR 635 million. Despite the ash clouds, the current outlook is that passenger traffic will grow by 1% to 2% for 2010. #883.4

**Independent experts have updated the Dortmund Airport development options to ensure a sustainable development that safeguards jobs and the overall economics of the airport company.** Two projects seem to be essential: an extension of the runway to 2300 m and keeping the airport open until 23:00 hours each day. Extending the operating time by one hour daily would generate up to 1.1 million more passengers annually by 2025, for a total of 3.4 million in that year; it would also have a gross economic impact of EUR 550 million annually and create 7020 jobs – at a cost of just EUR 6 million.

Dortmund's 2000-m runway, of which only 1700 m can be used for landings, is too short for medium-haul traffic in Europe since the most frequently used aircraft of the A320 and B.737 families cannot operate fully laden in adverse weather conditions. Therefore, the runway needs the additional 300 m to keep the airport competitive. -- Dortmund had completed a western terminal expansion project in 2007-2009 with the replacement and modernization of large sections of the baggage conveyor system and construction of the new P3 carpark with 1600 additional spaces (#812.25). #883.5

**Making good use of the quiet period caused by the cloud of volcanic ash over Europe in April 2010, Frankfurt-Hahn Airport set up a major building site and began renewing the surface of its runway, a task originally scheduled for the summer.** One kilometre or a total of 42 000 m<sup>2</sup> of runway were finished in time with the deployment of 100 people, 50 articulated lorries, five large grooving machines, and four asphalt pavers. "This is a brilliant logistical achievement," praised Hendrik Hering, Minister of Economy & Transport for the federal state of Rhineland-Palatinate. "Getting such a complex project up and running in such a short time once again goes to show just how dedicated staff at Hahn Airport is to their work and how flexible and efficient both the airport and our regional companies are." With this measure, the airport will save a considerable amount of time and money.

During the coming year, 12 cm (5 inches) are to be stripped from 2400 m of runway, the total length of which is 3800 m, before resurfacing. The sum of the investment comes to EUR 12 million. The initial plan was to shut down the runway in summer between midnight and 6 o'clock in the morning and work by floodlight. With just this time span available, renewal would have taken over three months. Thanks to the work carried out in April, at least one month of roadwork has now been cut. The major contractor, Hunsrucker Asphaltbau GmbH, comes from near the airport, with two other Hunsrück companies - Blümling Baugesellschaft mbH from Sohren and Juchem Asphalt Bau GmbH from Niederwörresbach - also contributing to the project. #883.6

**The most important project at Münster/Osnabrück Airport remains the runway extension from 2170 to 3000 m for which finance is available, but construction of which has been held up by legal action.** More than twelve years have passed since the project was first mooted. A second major project - direct access to the A1 motorway - will be completed in summer 2010 and the planning phase has started for the 'AirportPark FMO' real-estate development where several companies will be located soon. Some 1700 jobs will be created in the coming years on the 50-hectare site in the immediate vicinity of the airport. The site can be extended to 200 hectares at a later date. #883.7

**After six months of negotiations, a settlement was reached between Weeze Airport and the Dutch borough of Bergen that allows the German airport to operate without restrictions.**

Bergen had been the last of more than a dozen plaintiffs who had brought action against the airport in recent years. Weeze Airport will provide funds for the noise insulation of 1300 homes in Bergen and pay



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individuals and the municipality for their legal costs. -- A complaint from neighbouring Bergen led to a restriction of weekend flights from Weeze in 2003. The airport is owned by a group of Dutch investors. #883.8

**Schwerin-Parchim Airport, owned by the Chinese logistics company LinkGlobal (#876.OPS4), needs a new control tower since the provisional license for a containerized tower will end soon.** The airport still waits for a surge in cargo traffic and major investments in the site promised by the new owner who now has pledged to invest at least EUR 1 million annually in the airport's infrastructure for the next five years. #883.9

**The privately-owned Giebelstadt airfield, 16 km to the south of Würzburg, was granted an operating license in January 2010 by the Air Office of Northern Bavaria.** A maximum of 7500 civil aircraft flights (15 000 movements) are allowed annually between 06:00 and 22:00 hours each day. The former military airfield has a 1982 m by 30 m runway which can take commercial aircraft up to an MTOW of 14 tonnes and up to 25 tonnes in non-commercial traffic. #883.10

## **POLAND**

**Over the next few years, Warsaw's 'Frederic Chopin Airport' is planning to invest in a five-star hotel, a conference and exhibition centre, office and shopping space, and an underground train station linking the airport with the city centre. It will also expand the airport terminal and introduce several other upgrades related to flight operations.** The Polish Presidency of the Council of the European Union, introduction into service of the new Boeing 787 by LOT Polish Airlines and, most importantly, the EURO 2012 soccer tournament are just some of the challenges facing the airport in the coming years. With the total cost of about PLN 1.2 billion, the investments planned by 'Polish Airports' State Enterprise (PPL) will concern two main areas of activity: the airport's infrastructure and its external facilities. At present, the south and central piers are being extended. The work will be completed in the second quarter of 2011. **In 2014, terminals T1 and T2 should be fully integrated, reaching a capacity of 12.5 million passengers,** says Airport Director Michał Marzec. Airside investments will include extension and modernization of the runways, taxiways and parking aprons, thereby helping to increase safety of flight operations, and reduce noise and air pollution resulting from longer taxiing times. PPL will be applying for EU funding from the 'Infrastructure and Environment' Operational Programme (Priority VI, Activities 6.3. Development of air transport network TEN-T) to cover part of the cost of renovation and modernization work connected with the airport infrastructure. However, investments at Chopin Airport are not only about developing the terminal and airport infrastructure. They are also about **building commercial facilities** which will attract and serve its business customers. Another hotel is being built within the airport grounds – the five-star Marriott Renaissance, which will offer its guests 225 rooms and a conference centre. **The hotel is just the beginning of a huge undertaking, which includes the development of a non-aviation infrastructure zone adjacent to the airport, or Chopin Airport City, modelled after similar facilities in Amsterdam or Frankfurt.** Under this project, the area of almost 10 hectares will be developed, and as much as 250 000 m<sup>2</sup> of usable commercial area will be made available next to the airport terminal. The project also means a better chance to use the airport's resources and an opportunity to enhance its competitiveness. Furthermore, the project is also aimed at reducing the charges collected from passengers and airlines.

Chopin Airport has been implementing the **investment projects envisaged to be completed before 2012**. The newly completed bus terminal has improved the communication between the airport and the city/region. The on-going construction of an underground railway station is aimed at providing the airport with another link with the city centre - with easy and fast access to the terminal. Those coming by car will find that work is in progress to extend the network of expressways (interchange 'Marynarska' and 'Lotnisko', and Warsaw Southern Bypass expressway), facilitating access to the airport. The works are planned to be completed in 2012. The investment projects at Chopin Airport are implemented in response to the regularly performed research studies, including those co-financed from the TEN-T Fund, with the view to identifying the directions of the airport development. The results of studies also indicate that the passengers see the changes that have already been implemented at the airport in a very positive light. "This reassures us that we are heading in the right direction," says Mr Marzec. #883.11

**The renovation of the runway junction at Warsaw Airport planned for September 2010, will take shorter than previously scheduled.** Following protests by a number of airlines and more than 20 tour operators, airport operator PPL has agreed to carry out the renovation work in a shorter period of time. The airport will be closed during the first weekend of September and then closed on two consecutive Saturdays only. Earlier, the airport operator planned to close the airport on three consecutive weekends. According to Życie Warszawy that could have resulted in the cancellation of about 1200 flights. LOT had said it might lose between 60 000 and 70 000 passengers as a result. In the coming weeks, PPL will be consulting with air carriers on the exact hours of the airport closure. #883.12

**Kraków Airport plans to spend PLN 800 million on new projects through 2013 (#874.33).** Despite the fact that the airport has already carried out a number of significant projects, it is planning new ones, including the expansion and modernization of the passenger terminal. "We are in the process of choosing the contractor. Offers were submitted by four bidders. Following the modernization, capacity of the terminal will double," said Jan Pamuła, President of MPL Balice. This means that as of 2013, the airport might be able to handle as many as 8 million passengers annually. "We are in talks with three [hotel] operators. These are hotel networks with a global reach. After choosing one of them, we shall announce a tender for the edifice plan and execution of the work," said Pamuła. Some of the investments will receive co-financing from the EU and some funds should be provided by the owner, but **the airport is also considering getting an investor on board who might purchase a 20% - 30% share in the airport company.** #883.13

**The combination of a dynamic increase in air travel and the perspective of organizing UEFA EURO 2012 football games in Wroclaw brought about the necessity of investing in the infrastructure of the airport.** The 'EURO 2012' project at Wroclaw Airport consists of two main tasks: Construction of the new passenger terminal with its infrastructure and equipment; Construction and extension of the airport areas for Class C aircraft and the tasks connected with current use of the airport, a new apron, a fast-exit taxiway, repair of the southern apron, building of a de-icing pad; environment protection and extension of the existing terminal. Constant noise monitoring is carried out and there is a plan to construct acoustic screens reducing airside noise. The 'Wroclaw Airport - extension and modernization of airside and landside infrastructure' project will be carried out in the years 2008-2011. **The project is estimated to cost PLN 128.11 million.** The future passenger terminal, built by Hochtief Polska, will be of one of the biggest in Poland with a volume of 330

430 m<sup>3</sup>. There are two functional areas: the airside with a luggage sorting hall equipped with Vanderlande conveyors and sorters; and the departure and arrival hall together with accompanying spaces on the landside. The terminal will have three levels above ground and one underground. The associated carparks can accommodate more than 1000 vehicles; there will be eight security checkpoints, 21 check-in desks, conference rooms, bars and coffee shops, a pharmacy, a bank, and a retail gallery. #883.14

**The National Chamber of Appeal (Krajowa Izba Odwoławcza - KIO) dismissed a protest, lodged by Warbud S.A. with regard to the decision about selecting the contractor for the detailed engineering design and construction works for Passenger Terminal 2 of Gdańsk's 'Lech Wałęsa Airport' along with auxiliary facilities and infrastructure.** KIO's decision means that the protest lodged by Warbud was unwarranted. "Dismissal of the protest by KIO opens for us the path to prompt execution of the contract for the construction of Terminal 2. Following the receipt of a written confirmation of KIO's decision, we will submit full documentation, along with a draft of the contract, for a routine ex-ante control to the Public Procurement Office. After the control is completed, we will be able to sign the contract with the consortium selected in the tender: Budimex S.A. and Korporacja Budowlana Doraco," says Elżbieta Stangret, the Chair of the Tender Committee. "Every bidder in the tender is entitled to lodge a protest, regardless whether warranted or not. We have accounted for this in the project timeline. Thanks to a scrupulously observed tender procedure, it was possible to dismiss the protest quickly. The protest lodged by Warbud S.A. will have no impact on the extension of the project time frame," adds Ms Stangret. #883.15

**Baltona, Poland's biggest airport retailer running stores in eight airports, is now majority-owned by the ambitious Indian travel retail group Flemingo** through a representing company (#880.OPS8). Flemingo is already well established in South Asia and Africa. The retailer considers Poland a growing market with robust traffic. Its economy is one of the more vibrant in Europe, and Baltona also enjoys huge brand equity – the company is 60 years old and in the communist days it was one of only two retailers where people could buy branded international goods. Its reputation and consumer loyalty still lives on. #883.16

## **CZECH REPUBLIC**

**Prague Airport's ambitions to position itself as an international transfer hub are taking shape following the decision of Emirates Airlines to launch regular daily flights to and from Dubai.**

The airport had announced its mid-term ambition to take on Vienna Airport as a gateway to Eastern Europe. That means stepping up long-haul international flights into the airport and developing onward destinations. Altogether, Prague has announced 131 summer timetable destinations, of which more than 30 are in Eastern Europe. New destinations include the Kazakh capital Astana and the Russian cities of Novosibirsk and Kazan. Prague Airport ranked 15th in Europe in the Skytrax 'World Airport Awards' for 2010. That's two places up from last year's showing. The research by the British firm is based upon votes by millions of passengers.

**Meanwhile, the Czech lower house definitively passed a bill in March 2010 banning the Government to sell Ruzyně Airport, outvoting President Vaclav Klaus's veto of the bill.**

However, the general election in June 2010 brought in a new government and the decision may be revised. – In 2009, 11.6 million passengers (-8%) passed through Ruzyně Airport, which was the first fall

in numbers over the last decade. The expected take-off in passenger numbers depends on the building of a new runway which would boost capacity beyond the existing 16.5 million passengers a year. Traffic could double to 21 million passengers in ten years. #883.17

**Villagers in two municipalities north of Prague have voted overwhelmingly against a plan aiming to turn the Vodochody airstrip into a new international airport.** Under the plan, Letiště Vodochody would be transformed into a second airport serving the Czech capital, with around 1.5 million travellers or more processed each year. But many locals are worried that the new site will have a negative impact: traffic, noise pollution, property devaluation. The transformation of Vodochody into a second international airport serving Prague has not yet been given the go-ahead from the Environment Ministry but if some local municipalities have their way, it never will. Two of those, the villages of Chvatěruby and Zlončice, held referenda on the question and the results were almost unanimously against the project. Fourteen out of 25 local municipalities, including Zlončice, are part of an initiative called 'Stop Vodochody Airport', fearing that the negative impacts of the new facility will be manifold. Therefore, there is little room for negotiation - neither with representatives at Vodochody nor developers Penta Investments. Whether the new airport goes ahead will depend on the Environment Ministry's assessment of a related study. That - more than local opposition, some sources have suggested - will ultimately tip the scales in favour of the project or against. #883.18

**The Czech Ministry of Defence is selling several properties that are no longer in use, including the Všechnov military airfield in Central Bohemia.** The airfield, worth CZK 140 million, covers 407 hectares and has a 2000-m runway. A large military training ground and army barracks are also on offer. Following an overhaul in the Armed Forces, the Ministry is required by law to offer properties it no longer uses to other state authorities at no charge first, before it can advertise any such properties for sale. #883.19

**The management of Airport Karlovy Vary Ltd recently assigned Lufthansa Consulting (LCG) to provide support in the field of air service development for its international airport in Karlovy Vary (KLV), formerly Carlsbad.** The airport aims to increase air services to and from KLV. In 2009, it registered 73 500 passengers, traditionally mostly on flights to and from the Russian Federation. The number of aircraft movements reached 7632 take-offs and landings, which means a growth of nearly 37% compared with 2008. In recent years, the airport has been modernized including the reconstruction of the existing runway as well as construction of a completely new terminal building. Lufthansa Consulting will provide an in-depth market analysis with the selection of ten prospective European hub airports and a route profitability evaluation for the hub with the best possible potential. The German aviation consultants will also support Karlovy Vary in conducting acquisition talks with relevant airports plus assistance with negotiations at international aviation conferences by approaching airlines that have the potential to serve KLV successfully. In addition, they will actively assist with the creation of a local marketing fund. #883.20

## **SLOVAKIA**

**The first half of the new passenger terminal at Bratislava's 'M. R. Stefanik Airport' was opened by Prime Minister Robert Fico and other guests of honour on 9 June 2010 (#882.28).** Operations started a day later with domestic and Schengen flights of the home carrier Danube Wings,

followed by selected flights of other carriers in the next weeks. The full operation will move into the new terminal throughout June and July 2010.

**The first phase of investments for Bratislava's new terminal complex has focused on building the new section of the departures terminal in the space between Terminal A and the general aviation terminal (GAT).** Part of the plan is the completion of the approach and exits roads in the forecourt area, i.e. in the public area in front of the terminal, and adding extended boarding bridges and their connection to Terminal B. After the finalization and launch of the reconstructed departures terminal, a near-complete demolition of the existing departures Terminal A will be carried out during the **second construction phase in 2011 and 2012** and a complete reconstruction will take place. Other features of the second phase are the building of adjacent roads and a partial reconstruction of Terminal B. **After the final completion in March 2012, a new compact airport complex will be in place with an annual capacity of 5 million passengers.** The number of handled passengers at peak hours will increase from 920 to 1500. #883.21

#### **HUNGARY**

Following more than two years of negotiation, 'The Regulation Plan' was approved, opening the door for major **development of the cargo facilities at Budapest Airport** (#879.28). The plan allows the airport to go ahead with developing land in the north-east of the airport premises in several phases. The first phase includes a new facility for Magyar Posta (Hungarian Post), consisting of an initial 5000 m<sup>2</sup> building with a further 5000-m<sup>2</sup> area reserved for future expansion. This facility was handed over to the customer in May 2010, and all necessary equipment and systems will be installed for operations to begin in October 2010. The next stage will bring the total area to between 12 000 and 18 000 m<sup>2</sup>. **The final stage includes 120 000 m<sup>2</sup> of new cargo and logistics terminals**, all accommodated in an area within the existing airport perimeter.

According to Kam Jandu, Director of Aviation at Budapest Airport, around ten cargo carriers operate regularly at the airport, including Cargolux and the major integrators, with another 23 carriers operating on an ad-hoc basis. "With expanded facilities, there is huge potential to grow new cargo traffic, especially from Asia and other long-haul destinations," said Jandu. "In addition to having direct access to a first-class road network, bringing seven immediate neighbouring countries to within easy reach, Budapest also has access to a further twenty European markets within 1000 km. When all the facilities are combined, Budapest is a very attractive and perfectly positioned cargo-friendly hub." -- Budapest Airport is now co-operating with the Vecses district on the development of a cargo city that will include the Budapest Airport Cargo and Logistics terminals, with the cargo city attached to the airport premises. The 203-hectare area bordering the new cargo development will provide a platform for forwarders and logistics companies to build their own facilities. #883.22

**Fly Balaton Airport at Sármellék** (at the western end of Lake Balaton) **has been back in business since April 2010, after having been temporarily closed repeatedly.** The press has reported that liquidator Vectigalis Zrt had reached an agreement on putting the airport back on the map with a Hungarian company. Vectigalis launched liquidation proceedings (at the request of an unnamed entity) against Cape Clear Aviation, the operator of the airport, on 10 November 2009. According to March 2009 court of registry data, CCA was owned by foreign individuals - one of British and three of Irish nationality, including CEO Jonathan Moore - as well as Cyprus-based Roxino Investments and Quadrator Kft, a Budapest-based real-estate company. The owners of the latter firm include Ágoston Gubicza, who

resigned as CCA Managing Director in early 2009. CCA made a lease agreement for the airport with the local government of Zalavár and Sármellék for 99 years in 2004. -- The airport handled nearly 120 000 passengers in 2008, but then its key partner, Ryanair, opted out at the end of October and operations were suspended until April 2009. Between April and October 2009, the operator claims to have handled some 15 000 passengers at Sármellék. According to Jenö Varga, head of liquidator Vectigalis, CCA left behind a debt of HUF 600-700 million. #883.23

#### **AUSTRIA**

**During the 2010 summer month, Innsbruck Airport is modernizing and extending the departures area (Gates 1 – 8).** The EUR 4 million project will notably extend the duty-free and travel-value shop and the holdrooms to increase passenger comfort. Until the works are completed in October, the existing departures area will remain closed and passengers will pass through temporary facilities from check-in to their aircraft. – In 2009, Innsbruck Airport handled 956 972 passengers (-1.29%), with a remarkable 5.37% growth in scheduled traffic. Commercially, 2009 was one of the best years ever for the airport. #883.24

**The Salzburg airport management called 2009 a 'contradictory year' when passenger numbers dropped by 14.2% and aircraft movements by almost 9% and yet the financial results were better than in 2008 because of stringent cost controls.** Profit for the year was EUR 2.896 million (+9%) and the EBIT margin at 9.5% was higher than expected. The company's share of equity capital increased from 63% in 2008 to 65.1%. A dividend of EUR 2.4 million will be paid out to the owners. Traffic and financial results for the first months of 2010 are better than the year before. As cost control measures continue and investments are relatively low (new control tower costing EUR 10 million and runway upgrading with slotdrains for EUR 1 million), the 2010 results should be even better. A major project for 2010 is the preparation for an environmental impact analysis. #883.25

#### **SWITZERLAND**

**Geneva International Airport is targeting a strong double-digit year-on-year surge in commercial revenues in 2010, as a major expansion of the terminal's retail and food & beverage areas takes effect.** A year-long modernization of the terminal was completed in October 2009. Now, passengers come through a central security zone into the airside complex, which boasts a much-improved food & beverage area with a wider choice of brands, plus a modernized retail area, including a new, expanded 650-m<sup>2</sup> duty-free store operated by The Nuance Group. **The airport company has invested over CHF 86 million in the first stage of its Master Plan 2007-2015, with further development ahead.** The next stage of expansion will come with a new pier to the east of the airport, mirroring the pier in the west, and will be built in 2013/2014. That project will help the airport in accommodating widebody aircraft, plus long-haul non-Schengen traffic. It will house further new concepts in retail and food & beverage, though the scope of these has yet to be drawn up. **Geneva Airport handled 11.3 million passengers in 2009, a fall of -1.7% on 2008.** But results have improved steadily since July, with growth in every month since. Turnover for the year was CHF 295.1 million and a net profit of CHF 39.6 million was recorded. During the year, investments worth CHF 73.5 million were made. The satisfactory results were achieved despite the drop in traffic caused by the global economic crisis and major restructuring works in the airport's retail and F&B offer. The share of

commercial revenues declined to 21.4% from 24.9% a year earlier. As a consequence, aeronautical income exceeded non-aeronautical revenues for the first time in many years (50.2% vs 49.8%). #883.26

In early May 2010, **Zürich Airport commissioned the first stationary power supply for remote stands on its southern apron**. Because of environmental obligations, power required at the stands can no longer be supplied by diesel-operated ground power units nor by APUs but must come for the airport's mains. A transformer station supplies 400-Hz power from the 50-Hz mains. Total cost of equipping the southern apron was CHF 1.2 million. – Zürich had pioneered the replacement by APUs with stationary ground power at contact stand some 20 years ago. #883.27

\* Following the success of its Soul of Chocolate exhibition staged in 2006, **Zürich Airport has been showcasing the latest marketing event, called 'Chocolate Fest'**. Executed in partnership with Confiserie Sprüngli and The Nuance Group, the topic of this year's exhibition, which began on 19 February 2010, is 'Total Chocolate', centring on different themes, ranging from the history of chocolate to modern production methods. Passengers can watch how chocolate craftsmanship turns raw materials into sweet treats, ready to be tasted on-site. The raw material is not only displayed, but may also be purchased in sublimated form and packed in sophisticated boxes.-- The Soul of Chocolate exhibition, staged in 2006, was the first in Zürich Airport's 'Best of Switzerland' experiential marketing series. #883.28

**The management of EuroAirport had mandated Steer Davies Gleave, an independent consultancy based in London, to compile a study on the economic and social effects of the airport on each of the three local regions in France, Germany and Switzerland**. The study revealed that EuroAirport generates 27 000 jobs and an earned income of nearly EUR 900 million. In the period up to 2015, the study indicates that the number of jobs will rise to over 32 000 and the earned income to more than EUR 1 billion. – The EuroAirport Basel/Mulhouse/ Freiburg handled 3.85 million passengers (-9.6%) in 2009; cargo throughput was down by more than 16% because of the economic crisis. #883.29

**The Grenchen regional airport, operated by the public-private Regionalflugplatz Jura-Grenchen AG (RFP), is operating at its capacity limit**. Weight restrictions and a lack of aircraft stands mean that some 400 to 500 business aviation flights cannot be handled each year. Therefore, the RFP Board has prepared a master plan for the time until 2020 which foresees and adaptation of the infrastructure, in particular the taxiways and apron stands, construction of new hangars and maintenance facilities, and an extension of the runway by 450 m. - Grenchen's primary user group remains business aviation. #883.30

## Other regions

### GREAT BRITAIN

**Carlisle Airport will not be developed as a scheduled operation and freight storage and distribution centre**. The airport owner, transport group Stobart, has had its planning approval rejected by the Court of Appeal after an application by a local farmer. Judges found that the submission was unlawful, noting that the City Council should have conducted a full environmental impact assessment before approving the plan by Stobart Air. There is no right of appeal although Stobart says it is still in discussion with the Council, who have supported the scheme. - The Stobart Group is also the owner of Southend Airport where a major development is under way. #883.31

**Southend Airport should have its railway station open some time in autumn 2010 offering direct services to London's Liverpool Street by National Express East Anglia.** There are various interchange stations along the route, the most important being Stratford Regional for the Olympic Park, London Underground, London Overground, and the Docklands Light Railway. Work on the extended runway will start in October 2010 and should be completed in twelve months, by which time the new terminal, adjoining the station, is planned to be finished. By the time of the 2012 Olympics, Southend Airport will be unrecognizable from its present status. #883.32

#### **RUSSIA**

**A new airport opened in the Black Sea resort town of Gelendzhik on 5 June 2010** in the presence of Russia's Deputy Transport Minister Valery Okulov. "The new airport in Gelendzhik is a unique event. In recent years, Russia has predominantly rebuilt and modernized old airports. The Gelendzhik airport is the first to have been started from scratch," Okulov said. The First Vice-Governor of the Krasnodar region, Dzhambulat Khatuov, described the airport's opening as historical for further development of the Russian Black Sea resorts. "Russia hasn't built airports for 25 years, and the one in Gelendzhik is the first portent," Khatuov said. He thanked the Russian government for allocating investments for the construction. #883.33

#### **UAE**

**Dubai's newest airport, Al Maktoum International, will begin passenger operations in March 2011.** "The planning date is spring of 2011 - so we're looking at the end of March for the start of passenger flights," Dubai World Central Vice President for Cargo & Logistics, Andrew Walsh, told the press. "Right now, the passenger terminal is in the final stages of fit-out. Once we've got the cargo terminal open and the operations are settled, we'll move into the operational readiness process for the passenger terminal through the later part of this year and the early part of next year."

Al Maktoum International, the centrepiece of the USD 33 billion Dubai World Central megaproject, is planned to be the world's largest airport when it is fully completed. The five-runway airport will eventually be able to handle 160 million passengers a year, up from the previously projected 120 million, as well as 12 million tonnes of cargo. As yet, there has been no clarification as to which carriers will operate from the new passenger terminal, but the facility appears to be largely designed for regional carriers as it is an all-bus operation with no boarding bridges. The ideal mix would appear to be a number of regional operators, as well as potentially a couple of long-haul operators. No airlines will be forced to shift operations from Dubai International Airport. #883.34

#### **SOUTH KOREA**

**Incheon International Airport will go through comprehensive refurbishment as part of its preparation for 2010 G20 Seoul Summit and the Visit Korea Year.** The refurbishment features an upgrade of its passenger service through installing sculptures, reinforcing pavement of runways, refurbishing passenger terminals and lounges, etc. The plan will begin with installing grandiose sculptures symbolizing new Korea's image at the entrance of IIAC, welcoming visitors to the country. The sculptures, built and installed with the creative design selected through a contest, will represent Korea's global and future-oriented image. Secondly, **flight safety will be further enhanced by reinforcing the pavement of runways which have been in use over the past ten years.** As Runways I and II and

the taxiway pavement have reached their endurance period, reinforcement work will be carried out extensively on the top layer (t = 6 cm) of the pavement. Pavement reinforcement work will be carried out in stages from southern tips of Runway I to Runway II so as not to affect flight safety during peak hours. Operating three runways, of which Runway III was completed on 30 June 2008, IIAC will find its flight safety further enhanced by the first half of 2011, when reinforcement work on Runways I and II is completed.

**Interior remodelling will make passenger terminals more user-friendly, meeting passenger needs.** Since opening, passenger terminals have been kept in their best possible conditions through well-organized repair and maintenance, but in preparation for its ten-year anniversary, IIAC decided to conduct interior remodelling across the board. Accordingly, a mid-to-long term plan for comprehensive improvement will be mapped out after considering various customer opinions and consultations. Under this plan, toilets will be re-designed to accommodate new design trends, and all 91 toilets will be gradually refurbished in the order of priority based on customer-traffic. Additionally, IIAC will equip itself with dedicated boarding bridges for A380 that Korean Airlines will adopt. In the meantime, extension work for airliner lounges will begin in the second half of 2010 for targeted completion by early 2011. The rest of upgrade works will include: remodelling the briefing rooms for VIPs visiting Korea; adding an Airport Club Lounge; and enhancing information signage. IIAC believes that these extensive efforts for continuous improvement will solidify Incheon Airport's status as the world's best airport, while meeting the airport users' expectations. #883.35

#### **PHILIPPINES**

Clark International Airport Corporation (CIAC) Chairman Nestor Mangio has announced that **on-going construction for development and expansion of Terminal 1 at 'Diosdado Macapagal International Airport' (DMIA) will be completed before the end of June 2010.** The project had a cost of USD 6.6 million. With the newly purchased boarding bridges, the capacity of the terminal will double to 4 million passengers a year and the number of international flights will also increase. "Build and they shall come," Mangio said referring to the 'wait-and-see' attitude of international airlines on the look-out for possible destinations for their international routes. The new terminal is expected to improve tourist services for overseas flights from Asia, Central and North Luzon, and for overseas Filipino workers. #883.36

**Officials at the Laguindingan Airport Development Project (LADP) Management Office have announced that construction of the USD 167 million airport in Misamis Oriental province (#877.10), is already 65% complete.** Laguindingan International Airport is scheduled for completion in December 2011 with an opening date of January 2012. Once completed, Laguindingan will be the fourth international airport in Mindanao, after 'Francisco Bangoy International Airport' in Davao City, Zamboanga International Airport in Zamboanga City, and 'General Santos International Airport' in General Santos City. It will also have the distinction of being the first international airport in northern Mindanao. The airport will primarily replace the existing Lumbia Airport in Cagayan de Oro City and it is also expected to replace 'Maria Cristina Airport' in Iligan City. #883.37

#### **BERMUDA**

**'L.F. Wade International Airport' is considering replacing its existing passenger terminal in a project that could cost the country between USD 300 and 400 million.** The future terminal has



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been designed by HNBP and a brown field site, north of the existing terminal, has already been selected. Bermuda has selected an eco-friendly design for its terminal and also plans a ferry terminal to transport public and hotel guests from the airport. Aaron Adderley, Operations Manager at the airport, said: "We wanted a design that captured the uniqueness of Bermuda, i.e. the ocean. We also wanted to ensure it was an iconic building so you immediately associated it with Bermuda. "We wanted it to be light and airy, providing a positive experience for passengers." Building work could take between three and four years to complete. Funding for the terminal project has yet to be secured. -- Other upgrades that need to be addressed include runway centerline lights to help land aircraft in fog and continued investment in satellite technology for safe operations. #883.38